

**HEARING DATE AND TIME: June 2, 2011 at 10:00 a.m. (Eastern Time)**  
**RESPONSE DEADLINE: May 18, 2011 at 4:00 p.m. (Eastern Time)**

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11  
: :  
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : Case No. 08-13555 (JMP)  
: Jointly Administered  
Debtors. :  
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**LIMITED RESPONSE AND RESERVATION OF RIGHTS OF  
THE FEDERAL NATIONAL MORTGAGE ASSOCIATION TO  
DEBTORS' ONE HUNDRED TWENTY-SEVENTH OMNIBUS  
OBJECTION TO CLAIMS (SETTLED DERIVATIVES CLAIMS)**

Federal National Mortgage Association (“Fannie Mae”) submits this limited response and reserves its rights (the “Limited Response”) regarding the One Hundred Twenty-Seventh Omnibus Objection to Claims (Settled Derivatives Claims) April 18, 2010 [Docket No. 16111] (the “Claims Objection”) filed by Lehman Brothers Holdings Inc. (“LBHI”), Lehman Brothers Special Financing, Inc. (“LBSF”), and their affiliated debtors in the above-captioned cases (collectively, the “Debtors”), and in support hereof respectfully represents as follows:

1. On October 16, 2009, Fannie Mae filed an amended claim [Claim No. 40611] (“Claim No. 40611”) against LBSF. Claim No. 40611 is listed by the Debtors as a claim for \$19,058,019,300.00, plus other unliquidated amounts. (Claims Objection Ex. A at line 44, p. 19).

2. Pursuant to the Claims Objection, the Debtors have determined that a portion of Claim No. 40611 should be allowed against LBSF in the amount of \$110,000,000.00 and have objected to the allowance of Fannie Mae's claim No. 40611 above that amount. (Claims Objection Ex. A at line 44, p. 19). However, the Debtors have acknowledged that additional portions of Claim No. 40611 remain undetermined and unresolved. *Id.*<sup>1</sup>

3. For the avoidance of doubt, Fannie Mae files this Limited Response to note that the Debtors have also determined that Fannie Mae should have an allowed claim against LBHI in the amount of \$110 million for that limited portion of its total claim in addition to Fannie Mae's allowed claim against LBSF in that same amount.

4. In addition, for the avoidance of doubt, the Debtors' determination to allow claims against each of LBSF and LBHI in the amount of \$110 million is limited to the claim under the ISDA Master Agreement and Guaranty, as set forth in the Fannie Mae Claim in Exhibit A, Section 3 thereof, and is without prejudice to Fannie Mae's other unresolved claims against the Debtors or any of their subsidiaries and affiliates. These other unresolved claims include, without limitation, claims that arise under transactions and contractual documents in addition to and different from the documents or transactions involving the derivative claims of Fannie Mae against LBSF and LBHI in an amount in excess of \$16 billion and include claims arising under, *inter alia*, a Mortgage Selling and Servicing Contract between Fannie Mae and LBHI, 38 Sale and Servicing Agreements related to FHA/VA Repurchase REMIC and Grantor Trust Transactions, Federal Securities Laws claims related to private label securities and Holdings Notes, and claims arising from a HCD/Multifamily Sale Agreement, all of which are

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<sup>1</sup> Fannie Mae has filed other claims against the Debtors in addition to Claim No. 40611. Specifically, Claim No. 29557 was filed against LBHI, and that Claim shall continue and is not affected by the Claims Objection with respect to Claim No. 40611.

more fully described in Claim No. 40611 and Fannie Mae's other proofs of claim and all of which (other than the settled derivative claims included in the Claims Objection) the Debtors and Fannie Mae have agreed and acknowledged are not settled, resolved, released, terminated or in any other manner affected by the Claims Objection and which continue in full force and effect.

5. Fannie Mae reserves all of its rights to file additional pleadings with the Court with respect to the issues raised in the Claims Objection and this Limited Response and with respect to all other matters concerning Fannie Mae's claims.

WHEREFORE, for the reasons set forth herein, Fannie Mae requests that Claim No. 40611 be allowed in the amount of \$110 million without prejudice to Fannie Mae's claim for \$110 million against LBHI and its other continuing unresolved claims against the Debtors for amounts in excess of \$16 billion, and requests this Court grant such other and further relief as this Court may deem just or proper.

Dated: May 17, 2011  
New York, New York

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